

## **Historic, Archive Document**

Do not assume content reflects current scientific knowledge, policies, or practices.





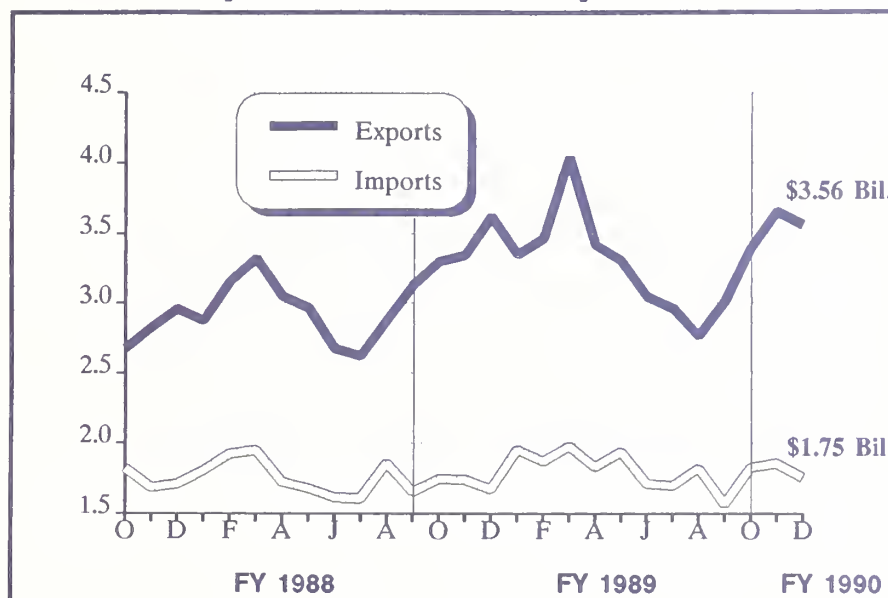
Circular Series

ATH 2-90  
February 1990

# AGRICULTURAL TRADE HIGHLIGHTS

CO/SIGNALS BRANCH  
23113  
1990

## Farm Exports Decline to \$3.56 Billion, Lower Export Prices Responsible



December's trade report released by the Commerce Department on February 16 showed a slight decline in the value of U.S. agricultural exports. At \$3.56 billion, monthly sales were \$64 million short of year-ago figures and \$95 million below the previous month. The decline was attributable to declining export prices for a broad range of commodities.

Standouts for the month were corn and cotton. Compared with year-ago levels, corn exports advanced 30 percent in value and 48 percent in volume, while cotton shipments rose 52 percent in value and 30 percent in volume. These and more modest gains in several other commodity categories were offset by significant value declines in such items as

wheat, soybeans, soy products, unmanufactured tobacco, dairy products, animal fats, and variety meats.

At \$706 million, the European Community (EC) was the leading U.S. market in December, followed by Japan at \$675 million and the Soviet Union at \$373 million. Compared with last December, the United States showed sales increases in only four of the top ten markets for U.S. farm products. These included the Soviet Union, South Korea, Taiwan, and Hong Kong. The most significant losses for the month were to China and Egypt.

Agricultural imports in December totaled \$1.75 billion, compared with \$1.67 billion a year ago and \$1.85 bil-

lion in November. The largest gains from year-ago levels were concentrated in beef and dairy products. Canada, Mexico, Australia, and New Zealand were the principle beneficiaries of these increases.

The agricultural trade surplus of \$1.8 billion was unchanged from November's figure but down \$143 million from last December.

December marked the end of the first quarter of the 1990 fiscal year. Cumulative export figures for the three-month period showed exports increasing 3 percent in value to \$10.6 billion and 16 percent in volume to 41.8 million tons. Growth commodities for the quarter were corn, cotton, unmanufactured tobacco, and wood products. The poorest performance was in oilseeds and dairy products.

Agricultural imports for the quarter rose 6 percent to \$5.4 billion from the comparable period of fiscal 1989. This resulted in a trade surplus of \$5.2 billion for the quarter.

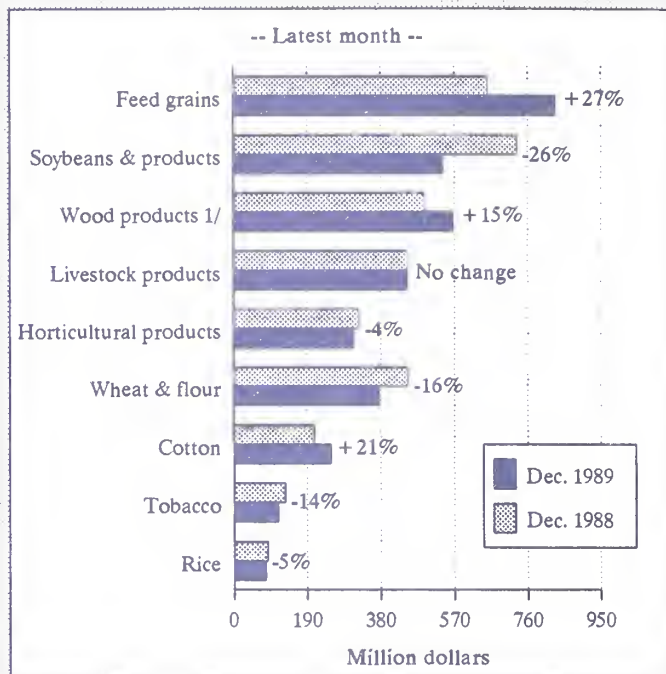
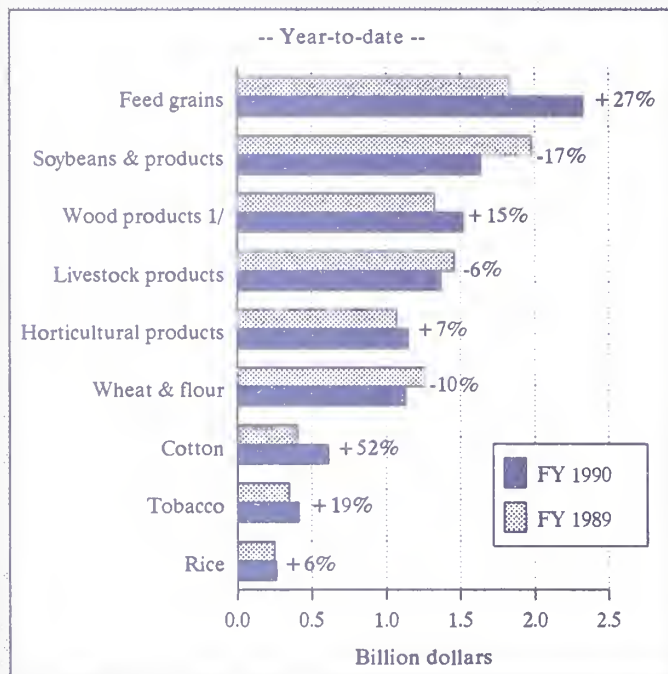
### Inside This Issue...

	Page
Commodity Highlights.....	3
Bulk, Intermediate, and Consumer-oriented Exports..	5
Agricultural Imports.....	6
Recent Developments.....	8
Feature Story -- Calendar 1989 Wrap-Up.....	10
Export Performance Indicators By Major Commodity Group.	13
Weekly Quotations for Selected International Prices.	14

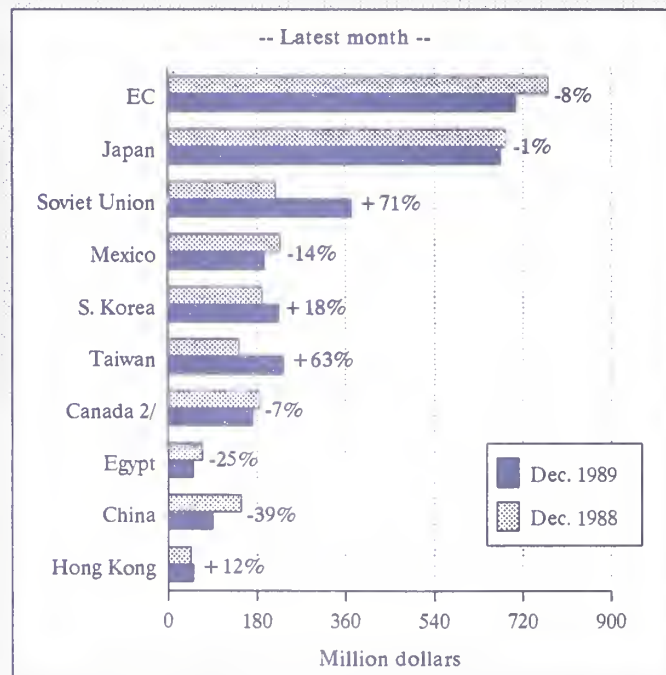
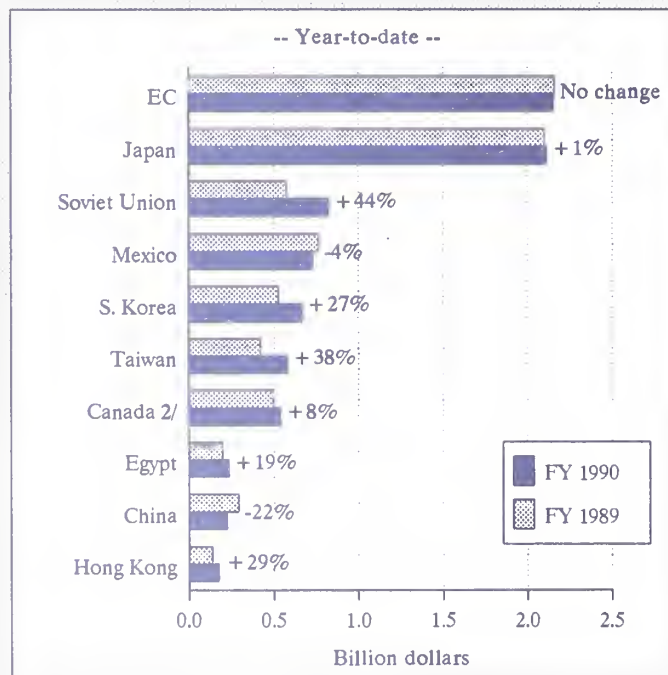
# U.S. Agricultural Export Summaries

Year-to-date and Latest Month

## Product Summary



## Top Ten Markets Summary



Note: Percentages are computed as the change from a year ago.

1/ Not included in agricultural totals. 2/ U.S. agricultural exports to Canada are underreported by about \$1 billion a year and officially recognized by both Governments.

# Commodity Highlights

*While trends varied at the individual commodity level, December's trade report showed an overall export value decline and an export volume increase from year-ago levels. However, trade figures for the first quarter of fiscal 1990 showed increases in both value and volume from the first quarter of fiscal 1989.*

U.S. wheat and flour exports for the month were down in both value and volume. Export figures indicated declines of 16 percent in value and 19 percent in volume. For the first quarter of 1990, wheat and flour exports declined 10 percent in value to \$1.1 billion, while volume dropped 16 percent to 6.8 million tons from year-ago levels. A sharp drop in exports to China accounted for most of this decline.

Export trends in feed grains were the reverse of those for wheat and flour with exports in December rising 27 percent in value and 34 percent in volume. The trend for the first quarter of 1990 was similar, with export value up 27 percent to \$2.3 billion and export volume up 42 percent to 20.9 million tons. These gains were largely due to large corn shipments to the Soviet Union. Other top markets for U.S. feed grains were Japan, Mexico, Taiwan, and South Korea.

Lower prices for soybeans and products resulted in a 17-percent decline in the export value during the first quarter and a 26-percent drop in December from a year ago. In terms of volume, gains have been posted in soybean exports, but both soybean meal and soybean oil shipments are lagging far behind 1989's depressed export levels. Although shipments to Taiwan and the Soviet Union showed gains, these were not enough to offset export declines to the EC, Japan, and South Korea.

December's cotton export figures were up 21 percent in value and 2

percent in volume from a year ago. Cumulative exports showed a more dramatic rise of 52 percent (or \$201 million) in value and 30 percent (or 89,000 tons) in volume. These large gains are attributable to tight exportable supplies in China and Pakistan and rising world consumption. Top markets for the quarter were Japan, the EC, South Korea, China, and Indonesia.

Unmanufactured tobacco exports were down 14 percent in value and 4 percent in volume in December from year ago levels. However, for the quarter, tobacco exports rose 19 percent in value to \$413 million and 23 percent in volume to 70,000 tons. This is largely credited to a huge increase in shipments to Taiwan (up 231 percent in value). Thus far this year, the leading importers of U.S. unmanufactured tobacco have been the EC, Japan, Taiwan, Hong Kong, and the Dominican Republic.

After robust performance throughout fiscal 1989 and the first two months of fiscal 1990, U.S. exports of rice slowed down in December. Compared with last December, rice sales declined 5 percent in value and 15 percent in volume. For the quarter, large gains in exports to Peru, Mexico, and Turkey compensated for substantial sales declines to Iraq. Export value for the three-month period rose 6 percent to \$263 million, while export volume expanded 1 percent to 806,600 tons. The top five markets for the quarter were the EC, Peru, Mexico, Iraq, and Turkey.

Compared with last year, exports of U.S. livestock products have thus far lagged in value and risen in volume. Livestock exports for the first quarter fell 6 percent in value to \$1.4 billion and rose 3 percent in volume to 648,000 tons. The volume gain was due to sales increases in red meats and animal fats. For the month, livestock exports advanced a marginal one-tenth of 1 percent in value and 8 percent in volume. Leading markets were Japan, the EC, South Korea, Mexico, and Canada.

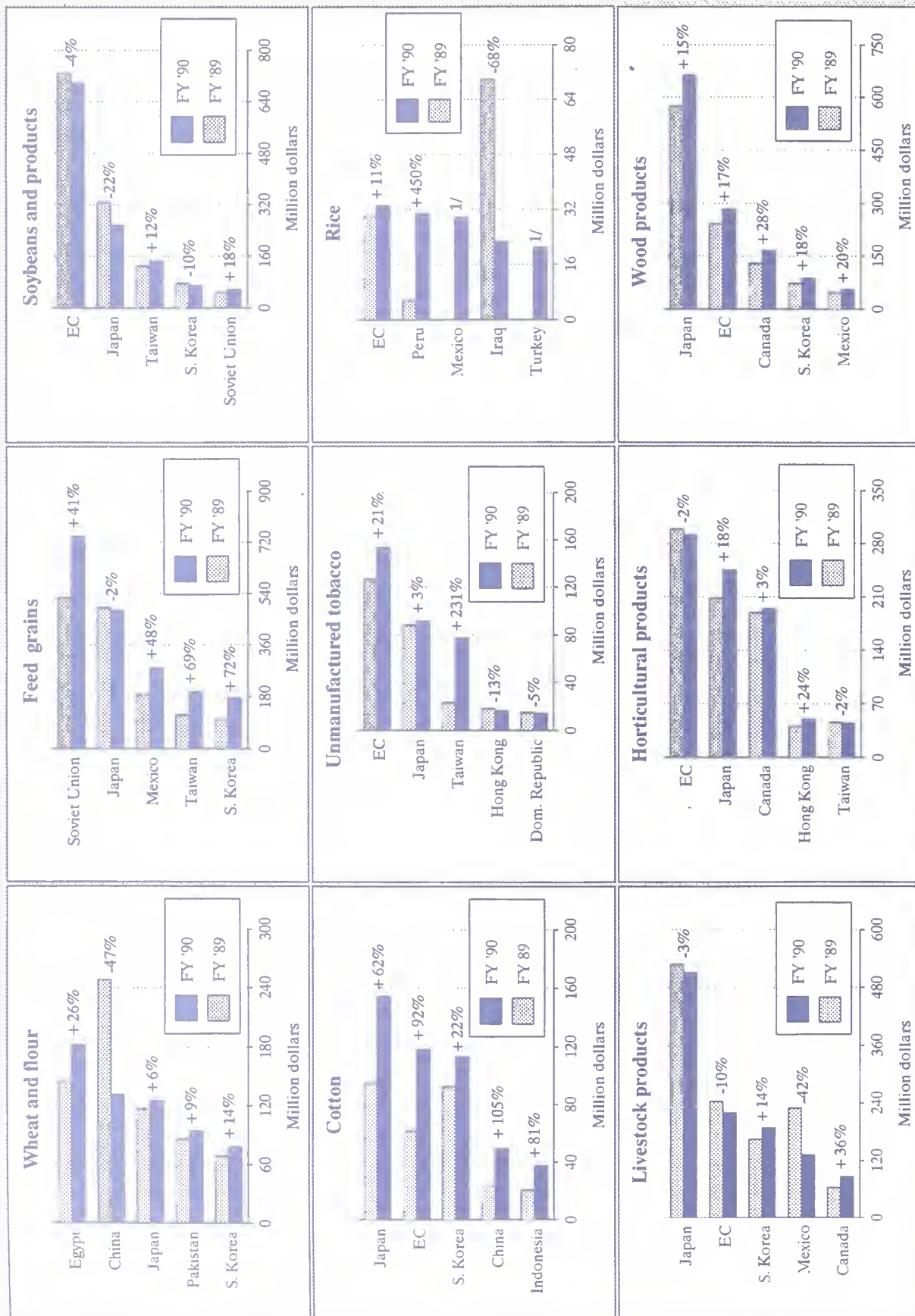
Horticultural exports for the quarter showed gains of 7 percent in value to \$1.1 billion and 2 percent in volume to 1.0 million tons. The largest gains were recorded in fresh fruits and vegetables and nursery products. In December, horticultural exports fell 4 percent in value but rose 16 percent in volume. The EC was the top market, followed by Japan, Canada, Hong Kong, and Taiwan.

U.S. wood product exports rose to \$1.5 billion for the quarter for a gain of 15 percent, but declined 2 percent in December. Japan remained the leading market, trailed by the EC, Canada, South Korea, and Mexico.

*For more information, contact Emiko Miyasaka at (202) 382-9148.*

# Top Five Markets for Major U.S. Commodities

Year-to-date Comparisons



Note: Percentages are computed as the change from fiscal 1988 to fiscal 1989.  
1/ Negligible exports reported during comparable period last year.

# Intermediate Products Register Modest Increase As Bulk and Consumer-Oriented Exports Decline

Agricultural exports for the month of December exhibited a significant decline in the *consumer-oriented* category, a modest decline in the *bulk commodity* category, and modest growth in the *intermediate product* category.

These trends for the month go against the trends for the first quarter of fiscal year 1990. For the quarter, cumulative-to-date totals show bulk commodity exports up 10 percent to \$6.14 billion, intermediate exports down 9 percent to \$2.3 billion, and consumer-oriented exports up less than 1 percent to \$2.16 billion.

For December, exports of intermediate products totaled \$847 million compared with last year's monthly total of \$837 million, a modest increase of 1 percent. Feeds and fodder increased 18 percent to \$174 mil-

## These trends for the month go against the trends for the first quarter of fiscal year 1990.

lion, hides and skins increased 10 percent to \$145 million, and planting seeds increased 19 percent to \$80 million. These gains were almost totally offset by declines in soybean meal (down 27 percent to \$111 million) and live animals (down 6 percent to \$60 million).

Bulk commodity exports for December totaled \$2.09 billion compared with last year's monthly total of \$2.11 billion, a decline of 1 percent. Significant declines were registered in soybeans (down 26 percent), wheat (down 15 percent), and tobacco (down 14 percent).

Corn and cotton, however, exhibited strong gains. Corn exports increased 39 percent to \$740 million and cotton increased 21 percent to \$252 million. A twofold jump in corn exports to the Soviet Union, to \$328 million from \$164 million, accounted for most of the increase in corn exports. Increased exports to Europe accounted for much of the rise in cotton exports.

Consumer-oriented exports for December totaled \$620 million compared with last year's monthly total of \$677 million, a decline of 8 percent. Red meats declined 2 percent to \$174 million, fresh fruits and vegetables declined 6 percent to \$99 million, tree nuts declined 20 percent to \$48 million and poultry meats declined 17 percent to \$44 million. Processed fruits and vegetables was the only major product category to show an increase, up 2 percent to \$87 million.

For more information, contact Dennis Voboril at (202) 382-1294.

## U.S. Agricultural Exports by Major Processing Stage December 1989 versus Month-ago and Year-ago

Major Products Exported	Dec. 1989	Month Ago	Year Ago	% Change From Nov.'89 Dec.'88	
	-- Million \$ --				
Bulk products	2,092	2,191	2,110	-5%	-1%
Corn	740	813	532	-9	39
Soybeans	407	467	552	-13	-26
Wheat	362	310	428	17	-15
Cotton	252	185	209	36	21
Tobacco	114	193	132	-41	-14
Intermediate products	847	714	837	19	1
Feeds & fodders	174	124	147	40	18
Hides & skins	145	133	132	9	10
Soybean meal	111	76	152	46	-27
Planting Seeds	80	42	67	90	19
Live animals	60	57	64	5	-6
Consumer-oriented	620	744	677	-17	-8
Red meats	174	198	177	-12	-2
Fresh fruits & vegetables	99	121	105	-18	-6
Processed fruit & vegetables	87	99	85	-12	2
Tree nuts	48	86	60	-44	-20
Poultry meat	44	51	53	-14	-17
Grand total	3,560	3,655	3,624	-3	-2

Source: TEID and the U.S. Bureau of Census.

Bulk commodities include wheat, rice, feed grains, soybeans, other unprocessed oilseeds, cotton, unmanufactured tobacco, planting seeds, and pulses.

Intermediate products are principally semi-processed products such as wheat flour, feeds and fodders, hops, oilseed meals, vegetable oils, hides and skins, animal fats, wool, and refined sugar. Live animals are also included.

Consumer-oriented products are fundamentally end-products that require little or no additional processing for consumption and include all items not listed in the above categories, such as fresh and processed horticultural products, fresh and processed meats, dairy products, table eggs, and bakery products.

# Agricultural Imports Up \$80 Million from Year-ago, Gains Continue in Selected Competitive Products

At \$1.75 billion, U.S. agricultural imports for the month of December were down 6 percent from the previous month's figure of \$1.85 billion but up 5 percent from last December's \$1.67 billion total. This increase from a year ago was spurred by a 14-percent gain in *competitive* imports. Competitive products rose to \$1.34 billion in December, while *noncompetitive* products fell to \$402 million, a decline of 18 percent.

For the first quarter of the fiscal year, imports totaled \$5.43 billion compared with \$5.14 billion for the same quarter of fiscal 1989. This 6 percent gain was also largely attributable to the jump in competitive imports. For the three-month period, competitive products came to \$4.07 billion for an increase of 11 percent. Noncompetitive products for the quarter came to \$1.36 billion, a 7-percent decline.

The top competitive and noncompetitive imports are listed in the shaded box below. In December, beef and veal showed the most significant growth of all imported products, rising 108 percent in value from a year ago. The major cause of this growth was the dramatic increase in the quantity of beef and veal imported from Australia, New Zealand, Canada, and Mexico.

Major gains from last December were posted for other competitive products, including vegetables (mainly tomatoes and cucumbers from Mexico), up 23 percent; dairy and poultry products, up 9 percent; and wines and beer, up 3 percent. Competitive products showing notable declines were fruits and pork, both down 12 percent.

Of the noncompetitive products, imports of tea grew most significantly for the month, advancing 9 percent from their year-ago level. As in

**This 6 percent gain [in imports] was also largely attributable to the jump in competitive imports.**

November, the higher expenditure on tea imports was the result of a price increase of nearly 20 percent. Bananas and plantains also advanced, rising 8 percent (\$5 million) from December 1988. Costa Rica, Ecuador, and Honduras supply the United States with most of its bananas and plantains.

Declines were recorded for the other top noncompetitive imports, including rubber and allied gums, down 44 percent; cocoa, down 31 percent; spices, down 23 percent; and coffee, down 11 percent. While each of these products experienced a considerable drop in price from December 1988, volume declines played the

largest role for cocoa and natural rubber.

The EC continued to lead all other suppliers in December. Mexico and Canada registered the largest gains for the month with increases of 62 and 51 percent, respectively. Mexico benefited from the higher imports of live animals and vegetables, while Canada benefited from the higher imports of beef and veal.

For more information, call Kathleen Anderson at (202) 382-9055.

*Noncompetitive imports do not compete with U.S. production and include: bananas/plantains, coffee (incl. processed), cocoa (incl. processed), rubber/allied gums, spices, essential oils, tea, and carpet wools. All other imports are classified as competitive.*

## U.S. Agricultural Imports by Major Product Sector

November 1989 versus Month-ago and Year-ago

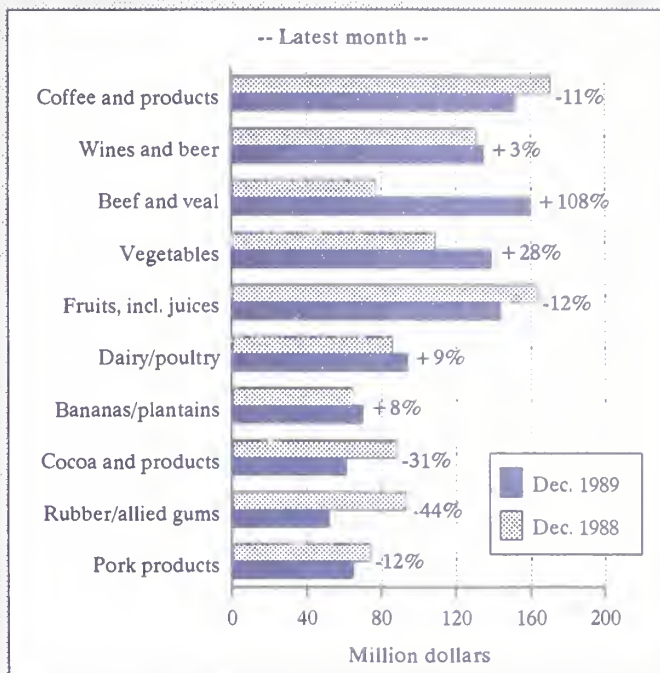
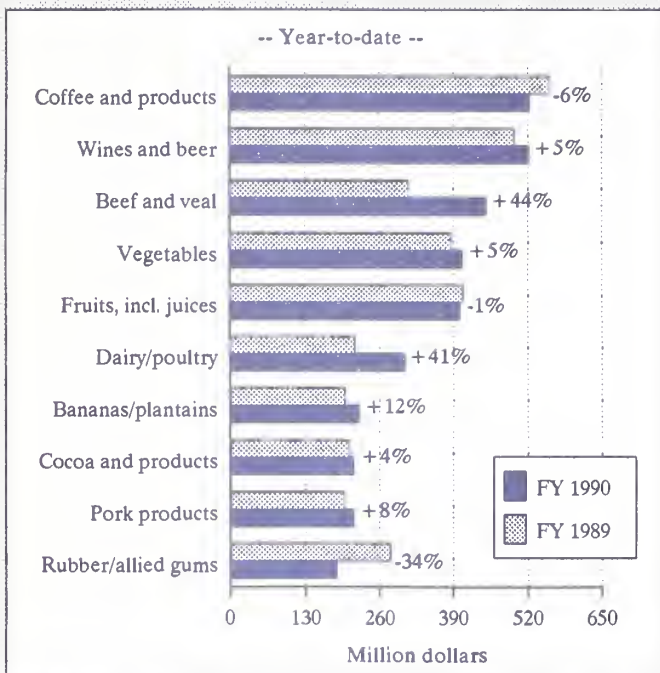
Import Category	Dec. 1989	Month Ago	Year Ago	% Change From	
				Nov.'89	Dec.'88
	— Million \$ —				
Total competitive	1,348	1,413	1,178	-5%	14%
Wines and beer	135	199	131	-32	3
Vegetables	139	154	109	-10	23
Fruits, incl. juices	144	135	164	7	-12
Beef & veal	160	146	77	10	108
Dairy/poultry	94	109	86	-14	9
Pork	65	63	74	3	-12
Total noncompetitive	402	441	492	-9	-18
Coffee & products	152	159	171	-4	-11
Cocoa & products	61	69	88	-12	-31
Bananas/plantains	70	75	65	-7	8
Rubber/allied gums	52	66	93	-21	-44
Spices	20	20	26	0	-23
Tea	12	12	11	0	9
Total agri. imports	1,750	1,854	1,670	-6	5

Source: Commodity Trade Analysis Branch, Economic Research Service, U.S. Department of Agriculture.

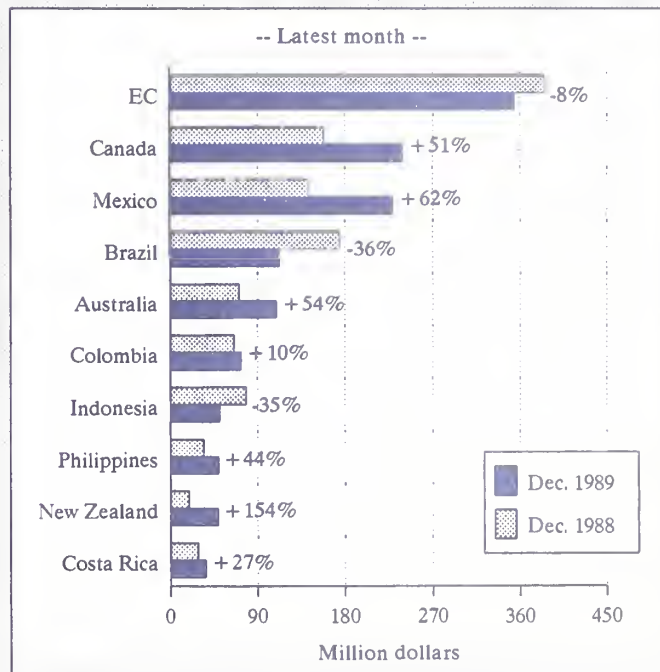
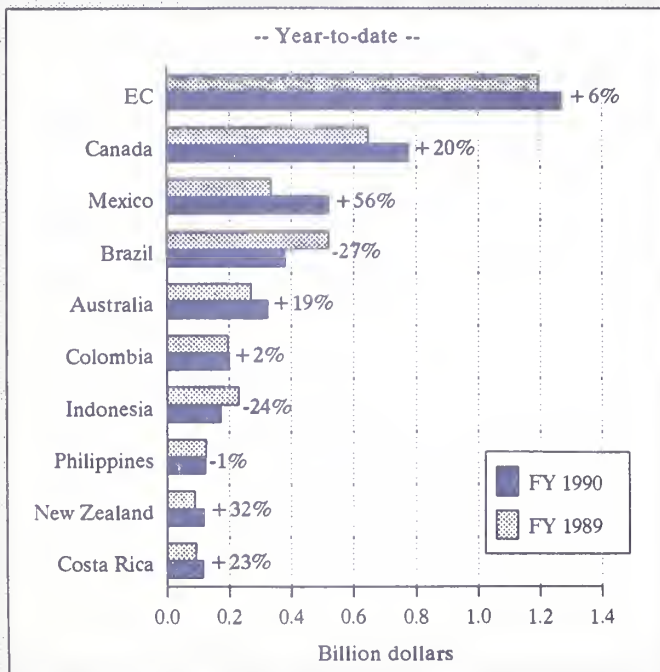
# U.S. Agricultural Import Summaries

Year-to-date and Latest Month

## Product Summary



## Top Ten Suppliers Summary



Note: Percentages are computed as the change from a year ago.

# Recent Developments In Agricultural Trade

---

## **Brazil Liberalizes Rice Imports**

The Government of Brazil has announced intentions to liberalize its rice import policy due to domestic shortages of high-quality rice. The extent and exact nature of Brazil's import plans are not yet clear. However, there has been a need expressed for immediate imports prior to the onset of Brazil's next rice harvest in March. At least for these near-term import needs, it appears the United States may have an advantage due to proximity. However, the recent climb in U.S. prices may lessen U.S. price competitiveness.

---

## **Soviets Report Higher Grain Harvest**

The Soviet grain harvest for 1989 amounted to 211.1 million tons, according to official figures published by the Soviet State Commission on Statistics. The 1989 figure is 8 percent higher than the 195 million tons produced in 1988. The grain harvest totaled 211.4 million tons in 1987 and 210.1 million in 1986.

---

## **U.S. Broiler Meat Sales Increasing**

U.S. exporters of broiler meat recently announced a sale of 15,000 tons to Romania. It is believed that this is the first time U.S. companies have sold chicken parts to Romania. In addition to the Romanian sale, 40,000 tons of leg quarters were sold in January to the Soviet Union. This brings the U.S. sales total to approximately 80,000 tons for the Soviet Union and 95,000 tons for the Eastern Bloc. Industry representatives were scheduled to travel to the Soviet Union and other Eastern Bloc countries in late February to discuss future sales of U.S. broiler meat.

---

## **U.S. Potato Shippers Run Afoul of New Labeling Regulations**

U.S. shipments of potatoes to Canada were delayed in January because of new Canadian grade-labeling regulations for consumer size packages of fruit and vegetables. When the new regulations became effective on January 1, U.S. potato shippers were told that the grade designation on the label, U.S. No. 1, was not satisfactory because it was not bilingual (the rest of the labels were). Canadian officials refused to delay implementation until new bags could be printed, so potatoes are now moving with stickers which have the printed correction.

---

## **GATT Ruling Against EC Oilseeds Subsidies Worries Crushers**

EC crushers who have invested heavily in new capacity to process EC-grown oilseeds are worried that the recent General Agreement on Tariffs and Trade (GATT) panel ruling against EC oilseed subsidies will mean lower prices for farmers and reduced supplies. EC processors traditionally used imported oilseeds, especially soybeans, in their mills. However, as government-subsidized production of rapeseed, sunflowerseed and soybeans grew in the 1980's, processors switched to domestic crops. In an effort to conform to the GATT ruling and still maintain farmers' incentives to grow oilseeds, the EC might replace its variable support program to crushers with direct subsidies paid to farmers.

---

## **Spain and Portugal Boost Soybean Oil Consumption Quotas**

The EC Commission recently increased calendar year 1990 domestic soybean oil consumption quota levels for both Spain and Portugal. In Spain, the quota was raised to 110,000 tons, up from the previous year's level of 100,000 tons. The quota for Portugal was increased to 105,000 tons, compared with 85,000 tons for 1989. Under the terms of accession for Spain and Portugal, all controls on domestic consumption of vegetable oils are scheduled to be eliminated at the end of the current year. U.S. exports of soybeans to these two countries could potentially increase as a result of the expanded quota levels.

## ... Recent Developments

---

### **Taiwan's Pork Exports To Japan Decline**

According to Taiwanese trade data for January-September 1989, Taiwan exported 74,000 tons of pork to Japan, a 13-percent decline from exports during the first three quarters of 1988. Export value also declined, by 24 percent to approximately \$355 million. Relatively high hog prices in Taiwan during much of 1989 and growing labor and waste disposal problems were the key factors behind the decline. U.S. pork exports to Japan for calendar year 1989 totaled 50,933 tons for a total sales value of \$226 million. This compares with sales of 39,043 tons worth \$185 million in 1988.

---

### **Indonesian Soybean Imports to Rise**

Indonesia's soybean imports from the United States are expected to rise in fiscal year 1990. Contributing to the increased demand are production shortfalls experienced in the last half of 1989 due to a reduction in planted area and excessive rainfall, as well as increased use of soybeans by Indonesian oilseed crushers. This has resulted in an increase in the forecast for Indonesian soybean imports from 370,000 tons in fiscal 1989 to 600,000 tons in fiscal 1990.

---

### **Korea Continues To Buy U.S. Beef**

Since Korea resumed beef imports in August of 1988, U.S. beef has been in strong demand in both the hotel and general consumption markets. U.S. beef exports to Korea during calendar year 1989 totaled 21,566 tons valued at \$79 million. Recently the Korean livestock marketing organization announced its first tender for 1990 for 5,500 tons of beef. The tender includes 700 tons of grain-fed boneless beef, 4,300 tons of grass-fed bone-in beef, and 700 tons of grain-fed bone-in beef. Total Korean beef imports in 1989 were 66,276 tons, retail weight equivalent, of which 33 percent was U.S. origin.

---

### **Soviet Demand for Butter Continues To be Strong**

On Jan. 31, 1990 the New Zealand Dairy Board concluded a sale of 70,000 tons of butter to the Soviet buying agency, *Prodintorg*, at a price of around \$1,450 per ton (\$0.678 per pound) f.o.b. basis, New Zealand ports. The sale is for unsalted butter containing 82 percent butterfat with shipment scheduled for February-May. Reportedly, the Soviets recently purchased 5,000 tons of butter from Australia at \$1,440 per ton, f.o.b. basis, and 15,000 tons of Swedish butter at \$1,450 per ton, f.o.b. basis, for delivery in the first half of 1990. In September 1989, the Commodity Credit Corporation sold the Soviets 50,000 tons of salted butter, 80 percent butterfat, at \$1,618 per ton, f.o.b. basis.

---

### **Five Countries Sign Fiscal Year 1990 P.L. 480 Agreements**

On Jan. 29, 1990, Egypt and El Salvador signed agreements for a total of \$188 million dollars worth of agricultural commodities under fiscal 1990 P.L. 480, Title I Program. Egypt signed an agreement for \$153 million for the purchase of wheat and wheat flour, while El Salvador signed an agreement for \$35 million, including \$11 million for vegetable oil, \$5 million for tallow, \$16 million for wheat and wheat flour, and \$3 million for corn and grain sorghum. On February 7, Zaire signed a Title I agreement for \$13 million to cover purchases of \$6 million worth of wheat and \$7 million worth of rice. On February 8, Ghana signed a Title I agreement for \$11 million worth of rice. Bangladesh signed an eighth amendment to the Apr. 17, 1987 Title III agreement on February 10 for \$12 million worth of cotton.

---

*For more information, contact Kelly Kirby at (202) 382-1034.*

# Calendar Year Wrap-Up

*December's trade numbers brought the year and the decade to a close on an upbeat note for U.S. agricultural exports. The following summary presents an overview and some of the highlights of agricultural trade for calendar year 1989.*

The United States exported 152.3 million tons of farm products valued at \$40 billion in calendar year 1989. These figures represent increases of 4.5 million tons (3 percent) and \$2.9 billion (8 percent) from the preceding year, and the highest export levels achieved since 1981.

## New Export Records Set to Eight of Top Ten U.S. Markets

Calendar 1989 was a banner year for U.S. agricultural exports to several markets. New export records were set for 24 countries in total and eight of the ten largest markets--Japan, the Soviet Union, Mexico, South Korea, Canada, Taiwan, Egypt, and Hong Kong. Japan was the leading market, purchasing a record \$8.17 billion for the year. The Soviet Union, China, Japan, Mexico, and South Korea were the five fastest growing markets in nominal value terms.

A number of factors helped boost U.S. agricultural exports in 1989. The North American drought of 1988 resulted in sharply reduced yields for most major bulk commodities in the United States and Canada. This, in turn, resulted in a sharp drawdown in stock levels and higher prices during 1989.

Regionally, Asia continues to lead all others in terms of both sheer size and growth of U.S. exports. Japan and the four Asian Newly Industrialized Countries (NIC's) of South Korea, Taiwan, Hong Kong, and Singapore are the driving forces in the region. Strong economic growth, growing preferences for Western-style foods,

and a competitive U.S. dollar are major reasons behind the export increases to these countries.

## Grain and Oilseed Sectors are Commodity Trend-setters

From a commodity perspective, the largest absolute gains in value occurred in grains and feeds while the oilseeds sector registered the greatest losses. Several product sectors

posted new records in terms of total sales in 1989. Among these were livestock products, horticultural products, planting seeds, manufactured tobacco products, and wood products. While manufactured tobacco and wood products are not counted in the total agricultural trade figures, they are monitored by the U.S. Department of Agriculture in overseas markets.

*Wheat and flour* exports finished the year at 37.7 million tons worth \$6.14 billion. Although volume declined 10 percent, value rose 21 percent due to higher prices resulting from the tight U.S. supply situation. China was the

## New Agricultural Export Records Set to 24 U.S. Markets in 1989

Market	1989 Total -- Million \$--	Previous Record -- Million \$ -- Year
Japan	\$8,165	\$7,638 (1988)
Soviet Union	3,436	2,854 (1979)
Mexico	2,732	2,468 (1980)
South Korea	2,594	2,274 (1988)
Canada	2,231	2,019 (1988)
Taiwan	1,754	1,661 (1988)
Egypt	969	967 (1981)
Hong Kong	615	489 (1988)
Pakistan	542	393 (1988)
Turkey	305	283 (1984)
Dominican Republic	262	229 (1981)
Thailand	190	180 (1981)
Jamaica	161	149 (1988)
Jordan	155	94 (1984)
Haiti	106	101 (1988)
Sri Lanka	104	80 (1988)
Costa Rica	91	80 (1988)
Netherlands Antilles	90	83 (1988)
Leeward-Windward Islands	77	69 (1988)
Honduras	74	66 (1988)
Bermuda	61	53 (1988)
Senegal	37	36 (1984)
Barbados	33	32 (1984)
Belize	15	14 (1988)

Source: U.S. Bureau of the Census.

leading buyer, followed by the Soviet Union and Egypt.

*Feed grain* exports registered healthy increases in both value and volume in 1989. The year-ending total of 67.2 million tons valued at \$7.9 billion represented an increase of 22 percent in volume and 32 percent in value over 1988. Top markets for feed grains in 1989 were the Soviet Union, Japan, South Korea, and Taiwan.

After a record year in calendar 1988, U.S. *livestock* exports moved to new highs in 1989, finishing the year at \$5.3 billion and 2.5 million tons. The driving force behind this increase was rising beef and veal exports, especially to Japan and South Korea.

*Horticultural products* also advanced to a new record, rising to \$4.2 billion and 3.8 million tons. Significant gains occurred in nearly all products, particularly for fresh fruits, fresh and processed vegetables, wines, and nursery products. Asian markets dominated U.S. horticultural trade in 1989, accounting for 40 percent of total export value. Top markets within Asia were Japan and the four Asian NIC's.

U.S. *wood product* exports climbed to a new record of \$6.1 billion in 1989. This product sector has shown phenomenal growth in recent years, more than doubling its sales value in the past three years alone. Japan remained the leading and fastest growing market for wood products in 1989, accounting for 47 percent of the total sales value and 51 percent of the overall gain in value from 1988.

The poorest performance of the year was in *soybeans and soybean products*. Soy product shipments came to 20.2 million tons and were valued at \$5.4 billion. These figures

are 5.2 million tons and \$1.5 billion below 1988 levels.

The European Community (EC) is by far the largest U.S. market for soy products and at points in the past (e.g., 1981 and 1982) have accounted for more than half of total U.S. soy product shipments. In 1989, however, soy product sales to the EC fell to 6.8 million tons and \$1.7 billion, the lowest level since 1969 in volume and 1972 in value.

### **Bulk and Consumer-oriented Goods Show Robust Growth**

Both *bulk* and *consumer-oriented* exports showed strong growth in calendar 1989, with sales of \$22.6 billion for bulk commodities and \$8.2 billion for consumer-oriented goods. These figures represent increases of \$2.5 billion and \$600 million, respectively, from 1988. Exports of consumer-oriented products set a record. This category includes such items as red meats, poultry meats, wines, beer, and fresh and processed fruits and vegetables, all of which showed strong sales gains in 1989.

*Intermediate* (semi-processed products such as wheat flour, feeds and fodders, oilseed meals, vegetable oils, hides and skins, animal fats, and live animals) declined \$210 million in 1989 from year-ago levels, to \$9.4 billion. While a few items such as wheat flour and feeds and fodders registered modest increases for the year, they were not enough to offset sizable losses in oilseed meals, vegetable oils, live animals, and hides and skins.

### **Imports at Record Levels**

Imports of agricultural products by the United States grew by 4 percent in calendar 1989, advancing to a

record \$21.8 billion from 1988's \$21.0 billion.

The increase was mostly in *competitive products* which compete either directly or indirectly with products produced in commercial volume in the United States. Competitive imports advanced from \$14.7 billion in 1988 to a new record of \$15.6 billion and accounted for three-fourths of the agricultural import total. Items within this category exhibiting the most growth for the year were fresh and processed fruits and vegetables, beet and cane sugar, barley, oats, cheese, milk casein, melons, pastas, biscuits and wafers, and selected vegetable oils.

In contrast, *noncompetitive products*--those that do not compete with U.S. products on a commercial basis--fell to \$6.13 from \$6.26 billion a year ago. This decline was due mainly to lower prices for the three largest noncompetitive import items in terms of value: coffee, cocoa, and natural rubber. For all three products, volume totals surpassed 1988 levels by a significant margin, but the lower prices resulted in a modest value decline in each product. Other noncompetitive imports, such as tea, silk, carpet wools, and bananas and plantains posted modest increases from year-ago levels.

### **Trade Surplus Widens**

The agricultural trade surplus rose to \$18.2 billion in calendar 1989, compared with \$16.1 billion in 1988. This is substantially higher than the decade low of \$4.7 billion in 1986 and is the highest agricultural trade surplus since 1984.

*For more information, contact David Pendulum at (202) 382-1294.*

# U.S. Agricultural Exports by Major Commodity Group

## Calendar Year Performance Indicators

	1984	1985	1986	1987	1988	1989
--- Billion dollars ---						
Grains & feeds 1/	17.324	12.043	8.902	9.624	14.172	17.496
Wheat	6.479	3.607	3.015	3.046	4.891	5.885
Wheat flour	0.221	0.180	0.229	0.203	0.193	0.258
Rice	0.846	0.665	0.625	0.576	0.804	0.971
Feed grains 2/	8.214	6.118	3.183	3.926	5.980	7.902
Corn	6.999	5.206	2.605	3.209	5.041	6.580
Feeds & fodders	1.135	0.974	1.350	1.428	1.764	1.803
Oilseeds & products	8.553	5.957	6.645	6.608	7.854	6.456
Soybeans	5.418	3.728	4.323	4.374	4.891	3.944
Soybean meal	0.997	0.870	1.229	1.211	1.579	1.143
Soybean oil	0.757	0.432	0.253	0.263	0.477	0.359
Other vegetable oils	0.461	0.393	0.377	0.303	0.429	0.424
Livestock products	3.486	3.371	3.645	4.095	5.207	5.299
Red meats	0.921	0.898	1.122	1.354	1.961	2.310
Animal fats	0.676	0.602	0.400	0.418	0.559	0.510
Poultry products	0.415	0.383	0.504	0.600	0.689	0.723
Poultry meat	0.282	0.249	0.319	0.402	0.458	0.514
Dairy products	0.379	0.442	0.443	0.489	0.578	0.419
Horticultural products	2.624	2.601	2.876	3.281	3.919	4.235
Unmanufactured tobacco	1.511	1.521	1.224	1.090	1.253	1.341
Cotton & linters	2.456	1.652	0.824	1.642	1.992	2.227
Planting seeds	0.320	0.358	0.371	0.374	0.424	0.552
Sugar & tropical products	0.744	0.716	0.812	0.902	1.006	1.245
Wood products 3/	2.688	2.664	3.053	3.961	5.332	6.072
Total agricultural export value	37.813	29.044	26.246	28.706	37.095	39.993

--- Million metric tons ---						
Grains & feeds 1/	111.185	87.291	71.511	94.857	111.515	120.078
Wheat	42.244	24.807	24.633	30.645	40.527	36.530
Wheat flour	0.908	0.888	1.176	1.294	1.266	1.129
Rice	2.194	1.961	2.547	2.494	2.298	3.056
Feed grains 2/	58.047	51.756	33.083	49.078	55.063	67.164
Corn	48.940	44.053	27.030	40.765	46.094	56.497
Feeds & fodders	6.819	6.585	8.847	10.322	11.196	10.942
Oilseeds & products	27.795	23.980	29.639	29.755	27.061	22.235
Soybeans	19.483	16.889	21.380	21.592	18.229	15.062
Soybean meal	4.400	4.712	5.960	5.921	6.282	4.394
Soybean oil	1.009	0.586	0.540	0.630	0.875	0.700
Other vegetable oils	0.581	0.526	0.657	0.554	0.716	0.714
Livestock products 4/	2.036	2.021	2.045	1.992	2.395	2.525
Red meats	0.413	0.427	0.500	0.530	0.674	0.827
Animal fats	1.307	1.327	1.245	1.203	1.394	1.366
Poultry products 4/	0.240	0.246	0.324	0.398	0.425	0.512
Poultry meat	0.230	0.232	0.295	0.379	0.404	0.496
Dairy products 4/	0.384	0.456	0.454	0.393	0.373	0.308
Horticultural products 4/	2.806	2.590	2.867	3.125	3.620	3.820
Unmanufactured tobacco	0.262	0.269	0.259	0.239	0.263	0.272
Cotton & linters	1.526	1.134	0.734	1.341	1.346	1.580
Planting seeds	0.222	0.237	0.239	0.249	0.261	0.551
Sugar & tropical products 4/	0.606	0.747	0.968	1.121	0.809	0.798
Total agricultural export volume 4/	146.787	118.826	108.817	133.186	147.822	152.309

1/ Includes pulses and corn gluten feed and meal.

2/ Includes corn, oats, barley, rye, and sorghum and products.

3/ Wood products are not included in agricultural product value totals.

4/ Includes only those items measured in metric tons.

Source: U.S. Bureau of the Census.

# U.S. Agricultural Exports by Major Commodity Group

## Year-to-date Performance Indicators and Fiscal 1990 Forecasts

	October-December			Fiscal Year		
	1988/89	1989/90		1989	1990(f) 1/	
	-- Billion dollars --		% Change	-- Billion dollars --		% Change
Grains & feeds 2/	3.980	4.388	10%	17.098	15.6	-9%
Wheat	1.201	1.067	-11%	6.018	5.2	-14%
Wheat flour	0.059	0.063	6%	0.266	0.2	-25%
Rice	0.248	0.263	6%	0.956	0.8	-16%
Feed grains 3/	1.833	2.332	27%	7.403	6.7	-9%
Corn	1.564	2.036	30%	6.108	5.9	-3%
Feeds & fodders	0.462	0.443	-4%	1.822	NA	NA
Oilseeds & products	2.215	1.893	-15%	6.779	5.6	-17%
Soybeans	1.469	1.326	-10%	4.086	3.4	-17%
Soybean meal	0.398	0.243	-39%	1.290	0.9	-30%
Soybean oil	0.113	0.067	-41%	0.404	0.3	-26%
Other vegetable oils	0.086	0.095	10%	0.416	NA	NA
Livestock products	1.461	1.368	-6%	5.391	5.3	-2%
Red meats	0.591	0.575	-3%	2.327	NA	NA
Animal fats	0.144	0.130	-10%	0.524	NA	NA
Poultry products	0.198	0.190	-4%	0.730	0.7	-4%
Poultry meat	0.136	0.137	1%	0.513	NA	NA
Dairy products	0.146	0.077	-48%	0.489	0.6	23%
Horticultural products	1.072	1.148	7%	4.159	4.4	6%
Unmanufactured tobacco	0.346	0.413	19%	1.274	1.3	2%
Cotton & linters	0.404	0.614	52%	2.059	2.7	31%
Planting seeds	0.150	0.162	8%	0.498	0.5	0%
Sugar & tropical products	2.645	1.523	-42%	1.190	1.3	9%
Wood products 4/	1.327	1.523	15%	5.876	NA	NA
Total agricultural export value	10.272	10.607	3%	39.668	38.0	-4%

	-- Mil. metric tons --		% Change	-- Mil. metric tons --		% Change
Grains & feeds 2/	26.703	31.622	18%	115.245	NA	NA
Wheat	7.801	6.559	-16%	37.775	33.0	-13%
Wheat flour	0.318	0.272	-14%	1.240	1.3	5%
Rice	0.801	0.807	1%	3.053	2.5	-18%
Feed grains 3/	14.669	20.878	42%	60.971	63.5	4%
Corn	12.500	18.457	48%	50.556	55.0	9%
Feeds & fodders	2.777	2.713	-2%	11.005	11.4	4%
Oilseeds & products	6.845	7.553	10%	21.509	NA	NA
Soybeans	4.939	5.890	19%	14.111	15.6	11%
Soybean meal	1.374	1.090	-21%	4.655	4.6	-1%
Soybean oil	0.195	0.142	-27%	0.754	0.7	-7%
Other vegetable oils	0.116	0.146	26%	0.683	NA	NA
Livestock products 5/	0.630	0.648	3%	2.508	NA	NA
Red meats	0.197	0.217	10%	0.807	0.8	-1%
Animal fats	0.363	0.359	-1%	1.369	1.4	2%
Poultry products 5/	0.116	0.145	24%	0.483	NA	NA
Poultry meat	0.112	0.142	27%	0.465	0.5	8%
Dairy products 5/	0.091	0.047	-49%	0.353	NA	NA
Horticultural products 5/	0.984	1.004	2%	3.799	3.9	3%
Unmanufactured tobacco	0.057	0.070	23%	0.258	0.2	-22%
Cotton & linters	0.296	0.385	30%	1.491	1.7	14%
Planting seeds	0.100	0.119	19%	0.497	NA	NA
Sugar & tropical products 5/	0.227	0.238	5%	0.933	NA	NA
Total agricultural export volume 5/	36.049	41.832	16%	146.771	145.5	-1%

NA = Not available.

1/ Export forecasts are from November 28, 1989, "Outlook for U.S. Agricultural Exports."

2/ Includes pulses and corn gluten feed and meal.

3/ Includes corn, oats, barley, rye, and sorghum and products.

4/ Wood products are not included in agricultural product value totals.

5/ Includes only those items measured in metric tons.

Source: U.S. Bureau of the Census and November 28, 1989, "Outlook for U.S. Agricultural Exports."

# Weekly Quotations for Selected International Prices 1/

Dollars per metric ton	Week of 1/21/90	Month ago	Year ago
<b>Wheat (c.i.f. Rotterdam) 2/</b>			
Canadian No. 1 CWRS 13.5%	197	201	217
U.S. No. 2 DNS 14 %	185	194	191
U.S. No. 2 SRW	183	189	190
U.S. No. 3 HAD	176	182	205
Canadian No. 1 durum	186	192	213
<b>Feed Grains (c.i.f. Rotterdam) 2/</b>			
U.S. No. 3 yellow corn	126	127	137
<b>Soybeans and Meal (c.i.f. Rotterdam) 2/</b>			
U.S. No. 2 yellow soybeans	240	240	304
U.S. 44 % soybean meal	NQ	NQ	267
Brazil 48 % soy pellets	218	226	288
<b>U.S. Farm Prices 3/ 4/</b>			
Wheat	134	138	158
Barley	80	86	104
Corn	90	88	104
Sorghum	78	81	95
Broiler 5/	1,338	1,167	1,291
Soybeans 6/	213	206	277
<b>EC Import Levies</b>			
Common wheat	118	97	132
Durum wheat	149	126	NA
Barley	95	84	134
Corn	110	96	144
Sorghum	115	100	154
Broilers	280	241	NA
<b>EC Intervention Prices 7/</b>			
Premium wheat	150	133	208
Common wheat	147	131	198
Feed wheat	140	124	198
Maize	147	131	208
Barley	140	124	198
Sorghum	140	124	198
Broilers	938	849	NA
<b>EC Export Restitution (subsidies)8/</b>			
Common wheat	62	62	*
Barley	71	67	76
Broilers	344	265	NA

NQ = No quote. NA = Not available. Note: Changes in dollar value of EC import levies, intervention prices, and export restitutions may be the result of changes in \$/ECU exchange rates.

1/ Mid-week quote. 2/ Asking price in dollars for imported grain and soybeans and soybean products, c.i.f. Rotterdam for nearby delivery. 3/ Five-day moving average. 4/ Target price for current marketing year in \$/metric ton: wheat, \$151; barley, \$112; corn, \$112; sorghum, \$106; soybean loan rate, \$166.

5/ Composite 12-city weighted average price for trucklot sales to be delivered to first receiver. 6/ Central Illinois processors bid to arrive. 7/ Buy-in equals 94% of intervention price plus full value of monthly increments.

8/ Figures represent restitutions awarded nearest to the listed dates, \* denotes no award given since the previous month.

# FAS Circulars: Market Information For Agricultural Exporters

As an agricultural exporter, you need timely, reliable information on changing consumer preferences, needs of foreign buyers, and the supply and demand situation in countries around the world.

The Foreign Agricultural Service can provide that information in its commodity circulars.

World agricultural information and updates on special FAS export services for the food and agricultural trade all are available in these periodic circulars.

For a sample copy of these reports—which can supply you with the information you need to make sound business decisions—check the box indicated, fill out the address form, and mail it today.

To subscribe: Indicate which publications you want. Send a check for the total amount payable to the Foreign Agricultural Service. Only checks on U.S. banks, cashier's checks, or international money orders will be accepted. **NO REFUNDS CAN BE MADE.**

Mail this form to: Foreign Agricultural Service  
Information Division  
Room 4644-S  
U.S. Department of Agriculture  
Washington, D.C. 20250-1000

<u>No. of Subscriptions</u>		<u>Subscription Rate</u>	
		<u>Domestic</u>	<u>Foreign</u>
_____ 10002	Agricultural Trade Highlights (12 issues)	\$15.00	\$23.00
_____ 10022	World Cocoa Situation (2 issues)	5.00	7.00
_____ 10003	World Coffee Situation (3 issues)	7.00	12.00
_____ 10004	World Cotton Situation (12 issues)	24.00	35.00
<b>Dairy, Livestock &amp; Poultry:</b>			
_____ 10005	Dairy, Livestock & Poultry: Export Trade & Prospects (12 issues)	28.00	56.00
_____ 10006	Meat & Dairy Monthly Imports (12 issues)	22.00	28.00
_____ 10007	World Dairy Situation (2 issues)	5.00	8.00
_____ 10008	World Livestock & Poultry Situation (4 issues)	8.00	13.00
_____ 10009	All 30 Dairy, Livestock & Poultry Reports	63.00	105.00
<b>Grain:</b>			
_____ 10010	World Grain Situation & Outlook (12 issues)	24.00	35.00
_____ 10011	Export Markets for U.S. Grain & Products (12 issues)	24.00	35.00
_____ 10013	USSR Grain Situation & Outlook (8 issues)	12.00	18.00
_____ 10014	All 32 Grain Reports	60.00	88.00
_____ 10015	Horticultural Products Review (12 issues)	24.00	35.00
_____ 10016	World Oilseed Situation & Market Highlights (12 issues)	28.00	56.00
_____ 10017	U.S. Seed Exports (4 issues)	12.00	20.00
_____ 10018	World Sugar and Molasses Situation & Outlook; World Honey Situation (3 issues)	7.00	10.00
_____ 10019	World Tea Situation; U.S. Spice Trade; U.S. Essential Oil Trade (3 issues)	7.00	12.00
_____ 10020	World Tobacco Situation (12 issues)	26.00	45.00
_____ 10021	World Agricultural Production (12 issues)	24.00	35.00
_____ 10023	Wood Products: International Trade and Foreign Markets (4 issues)	10.00	15.00

\_\_\_\_\_ **Total Reports Ordered** **Total Subscription Price** \_\_\_\_\_

☐ Please send me a sample copy.

Enclosed is my Check for \$ \_\_\_\_\_ Made Payable to Foreign Agricultural Service.

\_\_\_\_\_  
Name (Last, first, middle initial)

\_\_\_\_\_  
Organization or Firm

\_\_\_\_\_  
Street or P.O. Box Number

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip Code

\_\_\_\_\_  
Country

\_\_\_\_\_  
Phone No. ( ) \_\_\_\_\_

UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D.C. 20250

OFFICIAL BUSINESS  
PENALTY FOR PRIVATE USE, \$300

FIRST-CLASS MAIL  
POSTAGE & FEES PAID  
USDA-FAS  
WASHINGTON, D.C.  
PERMIT No. G-262

If your address should be changed \_\_\_\_\_ PRINT  
OR TYPE the new address, including ZIP CODE and  
return the whole sheet and/or envelope to:

FOREIGN AGRICULTURAL SERVICE, Room 4644 So.  
U.S. Department of Agriculture  
Washington, D.C. 20250

### **Important Notice to Readers --**

*Agricultural Trade Highlights* is available on a subscription basis only. The subscription fee is \$15 in the United States or \$23 for foreign addressees. To subscribe, send your check, payable to the Foreign Agricultural Service, to: Information Division, FAS, USDA, Room 4644-South Building, Washington, D.C. 20250-1000. Only checks drawn on U.S. banks, or international money orders will be accepted. NO REFUNDS CAN BE MADE.

This publication is a product of the Trade and Economic Information Division, Foreign Agricultural Service, U.S. Department of Agriculture, Room 6506-South Building, Washington, D.C. 20250-1000. Questions on the subject matter of this report should be directed to David Pendlum at (202) 382-1294.